

MOR-1

UNITED STATES BANKRUPTCY COURT

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658
PROPOSED PLAN DATE:

PETITION DATE: 8/23/2018
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH December * YEAR 2019

MONTH	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
REVENUES (MOR-6)	0.00	0.00	0.00	2,575,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400,000.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-1,501.74	-5,398.89	-2,265.93	-23,372.97	-7,173.99	-9,762.31	-24,264.85	-31,975.61	-3,413.74	7,258.49	-1,341.11	-1,602.78	-506.43	-10,607.91	-4,682.81	-554,705.97
NET INCOME (LOSS) (MOR-6)	-1,502.17	-5,412.22	-18,489.85	-87,300.31	-43,155.84	-41,578.79	-64,719.08	-89,173.59	-44,811.74	-2,746.40	-26,884.55	-21,153.78	-10,631.41	-20,353.73	-14,521.81	-822,041.96
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	2,266.00	0.00	0.00	0.00	0.00	0.00	2,693.75	0.00	0.00	0.00	0.00	0.00	7,757.50	0.00	55,186.00
TOTAL DISBURSEMENTS (MOR-8)	1,501.74	5,388.24	23,157.74	82,068.09	44,752.46	41,123.26	64,069.21	86,550.09	42,130.02	13,330.49	27,271.69	20,110.05	9,532.52	19,211.41	13,416.34	55,309.50

*This monthly operating report includes all amounts from the Petition Date through August 31, 2019

REQUIRED INSURANCE MAINTAINED			
AS OF SIGNATURE DATE		EXP. DATE	
CASUALTY	YES (X) NO ()	11-06-2020	
LIABILITY	YES () NO (X)	- - - -	
VEHICLE	YES () NO (X)	- - - -	
WORKERS	YES () NO (X)	- - - -	
OTHER	YES () NO (X)	- - - -	

Are all accounts receivable being collected within terms? ☒ Yes ☐ No

Are all post-petition liabilities, including taxes, being paid within terms? ☒ Yes ☐ No

Have any pre-petition liabilities been paid? ☒ Yes ☐ No

If so, describe _____

Are all funds received being deposited into DIP bank accounts? ☒ Yes ☐ No

Were any assets disposed of outside the normal course of business? ☒ Yes ☐ No

If so, describe _____

Are all U.S. Trustee Quarterly Fee Payments current? ☒ Yes ☐ No

What is the status of your Plan of Reorganization? _____

ATTORNEY NAME: Charles Rubio
FIRM NAME: Diamond McCarthy LLP
ADDRESS: 909 Fannin Street, 37th Floor
CITY, STATE, ZIP: Houston, Texas 77010
TELEPHONE/FAX: 713-333-5100

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I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED X Charles Foster Manager
(ORIGINAL SIGNATURE)
Charles Foster
(PRINT NAME OF SIGNATORY) DATE

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

COMPARATIVE BALANCE SHEETS

ASSETS	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December
CURRENT ASSETS													
Cash	150,063.40	152,050.94	150,527.68	86,458.47	1,527.02	4,485.92	3,655.43	1,264.70	151,451.15	151,918.63	132,707.22	119,290.88	569,101.66
Accounts Receivable, Net													
Inventory: Lower of Cost or Market													
Prepaid Expenses	21,835.24	19,696.83	17,558.42	15,420.01	13,281.60	11,143.19	9,004.78	0.00	0.00	0.00	0.00	0.00	0.00
Investments													
Other													
TOTAL CURRENT ASSETS	171,898.64	171,747.77	168,086.10	101,878.48	14,808.62	15,629.11	12,660.21	1,264.70	151,451.15	151,918.63	132,707.22	119,290.88	569,101.66
PROPERTY, PLANT & EQUIP. @ COST													
Less Accumulated Depreciation													
NET BOOK VALUE OF PP & E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER ASSETS													
1. Tax Deposits													
2. Investments in Subsidiaries													
3. Electric Deposit*	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	0.00
4. Real property*	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	0.00
TOTAL ASSETS	\$3,310,105.36	\$3,309,954.49	\$3,306,292.82	\$3,240,085.20	\$3,153,015.34	\$3,153,835.83	\$3,150,866.93	\$3,139,471.42	\$3,289,657.87	\$3,290,125.35	\$3,270,913.94	\$3,257,497.60	\$569,101.66

MOR-2

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December
LIABILITIES													
POST-PETITION LIABILITIES(MOR-4)	129,934.91	172,939.88	210,857.00	209,368.46	211,472.19	257,104.42	256,381.92	271,870.96	443,211.19	454,310.08	455,452.40	456,557.87	457,700.19
PRE-PETITION LIABILITIES													
Notes Payable - Secured	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	1,272,204.14
Priority Debt													
Federal Income Tax													
FICA/Withholding													
Unsecured Debt	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04
Other - Option fee							500.00	500.00	500.00	500.00	500.00	500.00	0.00
TOTAL PRE-PETITION LIABILITIES	3,679,540.48	3,679,540.48	3,679,540.48	3,679,540.48	3,679,540.48	3,679,540.48	3,680,040.48	3,680,040.48	3,680,040.48	3,680,040.48	3,680,040.48	3,680,040.48	1,812,544.18
TOTAL LIABILITIES	3,809,475.39	3,852,480.36	3,890,397.48	3,888,908.94	3,891,012.67	3,936,644.90	3,936,422.40	3,951,911.44	4,123,251.67	4,134,350.56	4,135,492.88	4,136,598.35	2,270,244.37
OWNER'S EQUITY (DEFICIT)													
PREFERRED STOCK													
COMMON STOCK													
ADDITIONAL PAID-IN CAPITAL	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48
RETAINED EARNINGS: Filing Date													
RETAINED EARNINGS: Post Filing Date	-112,704.55	-155,860.39	-197,439.18	-262,158.26	-351,331.85	-396,143.59	-398,889.99	-425,774.54	-446,928.32	-457,559.73	-477,913.46	-492,435.27	-1,314,477.23
TOTAL OWNER'S EQUITY (NET WORTH)	-499,370.03	-542,525.87	-584,104.66	-648,823.74	-737,997.33	-782,809.07	-785,555.47	-812,440.02	-833,593.80	-844,225.21	-864,578.94	-879,100.75	-1,701,142.71
TOTAL LIABILITIES & OWNERS EQUITY	\$3,310,105.36	\$3,309,954.49	\$3,306,292.82	\$3,240,085.20	\$3,153,015.34	\$3,153,835.83	\$3,150,866.93	\$3,139,471.42	\$3,289,657.87	\$3,290,125.35	\$3,270,913.94	\$3,257,497.60	\$569,101.66

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CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	January	February	March	April	May	June	July	August	September	October	November	December
TRADE ACCOUNTS PAYABLE												
TAX PAYABLE												
Federal Payroll Taxes												
State Payroll Taxes												
Ad Valorem Taxes												
Other Taxes												
TOTAL TAXES PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION												
ACCRUED INTEREST PAYABLE												
ACCRUED PROFESSIONAL FEES*												
OTHER ACCRUED LIABILITIES												
1. Accrued interest on DIP Financing	640.55	1,046.96	1,548.22	2,033.31	2,576.62	3,176.17	3,838.65	4,882.38	5,981.27	7,123.59	8,229.06	9,371.38
2. Dip financing	157,132.71	196,732.71	196,732.71	198,351.35	243,151.35	243,151.35	268,032.31	438,328.81	448,328.81	448,328.81	448,328.81	448,328.81
3. Insurance payable	15,166.62	13,077.33	11,087.53	11,087.53	11,376.45	10,054.40	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$172,939.88	\$210,857.00	\$209,368.46	\$211,472.19	\$257,104.42	\$256,381.92	\$271,870.96	\$443,211.19	\$454,310.08	\$455,452.40	\$456,557.87	\$457,700.19

*Payment requires Court Approval
MOR-4

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

AGING OF POST-PETITION LIABILITIES

MONTH

December

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	Other
0-30	1,142.32					1,142.32
31-60	1,105.47					1,105.47
61-90	1,142.32					1,142.32
91+	454,310.08					454,310.08
TOTAL	\$457,700.19	\$0.00	\$0.00	\$0.00	\$0.00	\$457,700.19

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

STATEMENT OF INCOME (LOSS)

	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	FILING TO DATE
REVENUES (MOR-1)	2,575,000.00												2,400,000.00	4,975,000.00
TOTAL COST OF REVENUES	2,596,034.78	-2,000.00											2,899,307.97	5,493,342.75
GROSS PROFIT	-21,034.78	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-499,307.97	-518,342.75
OPERATING EXPENSES:														
Selling & Marketing							-12,000.00							-12,000.00
General & Administrative	2,338.19	6,710.58	7,623.90	22,126.44	25,518.45	1,275.33	2,603.10	1,415.73	1,602.78	962.32	1,875.41	1,215.18	212.00	78,865.93
Insiders Compensation														0.00
Professional Fees					2,693.75						7,757.50		55,186.00	67,903.25
Insurance		2,138.41	2,138.41	2,138.41	2,138.41	2,138.41	2,138.41	-1,049.62		-455.89		3,467.63		17,981.62
Trustee fees		325.00			1,625.00			975.00			975.00			4,225.00
TOTAL OPERATING EXPENSES	2,338.19	9,173.99	9,762.31	24,264.85	31,975.61	3,413.74	-7,258.49	1,341.11	1,602.78	506.43	10,607.91	4,682.81	55,398.00	156,975.80
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-23,372.97	-7,173.99	-9,762.31	-24,264.85	-31,975.61	-3,413.74	7,258.49	-1,341.11	-1,602.78	-506.43	-10,607.91	-4,682.81	-554,705.97	-675,318.55
INTEREST EXPENSE	63,927.34	35,981.85	31,816.48	40,454.23	57,197.98	41,398.00	10,004.89	25,543.44	19,551.00	10,124.98	9,745.82	9,839.00	267,335.99	639,158.68
DEPRECIATION														0.00
OTHER (INCOME) EXPENSE*														0.00
OTHER ITEMS**														0.00
TOTAL INT, DEPR & OTHER ITEMS	63,927.34	35,981.85	31,816.48	40,454.23	57,197.98	41,398.00	10,004.89	25,543.44	19,551.00	10,124.98	9,745.82	9,839.00	267,335.99	639,158.68
NET INCOME BEFORE TAXES	-87,300.31	-43,155.84	-41,578.79	-64,719.08	-89,173.59	-44,811.74	-2,746.40	-26,884.55	-21,153.78	-10,631.41	-20,353.73	-14,521.81	-822,041.96	-1,314,477.23
FEDERAL INCOME TAXES														0.00
NET INCOME (LOSS) (MOR-1)	(\$87,300.31)	(\$43,155.84)	(\$41,578.79)	(\$64,719.08)	(\$89,173.59)	(\$44,811.74)	(\$2,746.40)	(\$26,884.55)	(\$21,153.78)	(\$10,631.41)	(\$20,353.73)	(\$14,521.81)	(\$822,041.96)	(\$1,314,477.23)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

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CASE NAME: HouTex Builders LLC

CASE NUMBER: 18-34658

CASH RECEIPTS AND DISBURSEMENTS	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$495.48	\$150,063.40	\$152,050.94	\$150,527.68	\$86,458.47	\$1,527.02	\$4,485.92	\$3,655.43	\$1,264.70	\$151,451.15	\$151,918.63	\$132,707.22	\$119,290.88	\$0.00
RECEIPTS:														
2. CASH SALES														0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE														0.00
4. LOANS & ADVANCES (attach list)***	81,849.51	44,740.00	39,600.00		1,618.64	44,800.00		24,880.96	170,296.50	10,000.00				448,328.81
5. SALE OF ASSETS	149,786.50												505,120.28	654,906.78
6. OTHER (attach list)***		2,000.00				288.92	12,500.00							14,788.92
TOTAL RECEIPTS**	231,636.01	46,740.00	39,600.00	0.00	1,618.64	45,088.92	12,500.00	24,880.96	170,296.50	10,000.00	0.00	0.00	505,120.28	1,118,024.51
Withdrawal Contribution by Individual Debtor MFR-2*														0.00
DISBURSEMENTS:														
7. NET PAYROLL														0.00
8. PAYROLL TAXES PAID														0.00
9. SALES, USE & OTHER TAXES PAID					50.00									50.00
10. SECURED RENTAL/LEASES														0.00
11. UTILITIES & TELEPHONE	187.78	77.46	410.54	180.70	323.56	724.33	798.10	531.73	1,440.78	567.37	927.41	289.32	111.50	8,957.10
12. INSURANCE	1,989.80	2,089.29	2,089.29	2,094.29			1,322.05			-455.89		3,467.63		20,513.44
13. INVENTORY PURCHASES														0.00
14. INTEREST EXPENSES	79,878.51	35,627.59	31,410.07	39,952.97	56,712.89	40,854.69	9,405.34	24,880.96	18,507.27	9,026.09	8,603.50	8,733.53		379,746.63
15. TRAVEL & ENTERTAINMENT														0.00
16. REPAIRS, MAINTENANCE & SUPPLIES		6,383.12	7,213.36	21,841.25	25,144.89	542.00	1,805.00	875.00	150.00	300.00	948.00	925.86	12.00	67,132.48
17. ADMINISTRATIVE & SELLING	12.00	250.00				9.00		9.00	12.00	94.95				394.95
18. OTHER (attach list)														0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	82,068.09	44,427.46	41,123.26	64,069.21	82,231.34	42,130.02	13,330.49	26,296.69	20,110.05	9,532.52	10,478.91	13,416.34	123.50	476,794.60
19. PROFESSIONAL FEES					2,693.75						7,757.50		55,186.00	67,903.25
20. U.S. TRUSTEE FEES		325.00			1,625.00			975.00			975.00			4,225.00
21. OTHER REORGANIZATION EXPENSES (attach list)														0.00
TOTAL DISBURSEMENTS**	82,068.09	44,752.46	41,123.26	64,069.21	86,550.09	42,130.02	13,330.49	27,271.69	20,110.05	9,532.52	19,211.41	13,416.34	55,309.50	548,922.85
22. NET CASH FLOW	149,567.92	1,987.54	-1,523.26	-64,069.21	-84,931.45	2,958.90	-830.49	-2,390.73	150,186.45	467.48	-19,211.41	-13,416.34	449,810.78	569,101.66
23. CASH - END OF MONTH (MOR-2)	\$150,063.40	\$152,050.94	\$150,527.68	\$86,458.47	\$1,527.02	\$4,485.92	\$3,655.43	\$1,264.70	\$151,451.15	\$151,918.63	\$132,707.22	\$119,290.88	\$569,101.66	\$569,101.66

MOR-7

* Applies to Individual debtors only

**Numbers for the current month should balance (match)

*** Advance from Charles Foster

**** January - Refund from construction vendor on home sold in prior month

**** May - Refund of prepaid insurance

**** June - 12,000 return of escrow from sale of asset prior to bankruptcy and 500 option fee

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

CASH ACCOUNT RECONCILIATION
MONTH OF December

BANK NAME	Frost Bank				
ACCOUNT NUMBER	#*****6345	#	#		
ACCOUNT TYPE	OPERATING	PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	569,101.66				\$569,101.66
DEPOSITS IN TRANSIT					\$0.00
OUTSTANDING CHECKS					\$0.00
ADJUSTED BANK BALANCE	\$569,101.66	\$0.00	\$0.00	\$0.00	\$569,101.66
BEGINNING CASH - PER BOOKS	119,290.88				\$119,290.88
RECEIPTS*	505,120.28				\$505,120.28
TRANSFERS BETWEEN ACCOUNTS					\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*	55,309.50				\$55,309.50
ENDING CASH - PER BOOKS	\$569,101.66	\$0.00	\$0.00	\$0.00	\$569,101.66

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

CASE NAME: HouTex Builders LLC
CASE NUMBER: 18-34658

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December
1.														
2.														
3.														
4.														
5.														
6.														
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December
1. Schmuck, Smith, Tees & Co PC						2,693.75	0.00	0.00	0.00	0.00	0.00	7,757.50	0.00	0.00
2. Diamond McCarthy LLP														55,186.00
3.														
4.														
5.														
6.														
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,693.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,757.50	\$0.00	\$55,186.00

MOR-9